

**Fruit and Vegetable Industry Advisory Committee**  
**Holiday Inn Capitol, 550 C Street SW, Washington, D.C.**  
**June 27-28, 2006**

**DRAFT MINUTES**

This summary of the June 27-28, 2006, meeting requires approval by the full Fruit and Vegetable Industry Advisory Committee. The minutes will be reviewed and finalized when the Committee convenes in early 2007. A number of presenters at the meeting used Microsoft PowerPoint slides to convey information; the slides are now available for viewing at [www.ams.usda.gov/fv](http://www.ams.usda.gov/fv).

Attendees:

**Danny Arnold**, A-W Produce Company; **Gordon Bowman**, Bowman Apple Products; **Wayne Brandt**, Brandt Farms; **William Brim**, Lewis Taylor Farms; **Charles Ciruli**, Ciruli Brothers/Amex Distributing; **Jim Corby**, Food Lion; **Jeffrey Crist**, Crist Brothers Orchards; **Scott Danner**, Liberty Fruit Company; **Matthew D'Arrigo**, D'Arrigo Brothers of New York; **Steve Junqueiro**, Save Mart Supermarkets; **Jan Kerns**, Kerns Rainbow Ranch; **Helen Masser**, Stermann Masser; **Susan Matsushima**, Alluvion Inc.; **Matt McInerney**, Western Growers Association; **Todd Michael**, Michael Farms; **John Millwater**, YUM! Brands; **Paul Palmby**, Seneca Foods; **David Patterson**, Patterson Farms; **Dan Richey**, Riverfront Groves/Riverfront Packing Company; **John Shelford**; **Lisa Strube**, Strube Celery and Vegetable Company; **Michael Stuart**, Florida Fruit and Vegetable Association; **Tim York**, Markon Cooperative; **Robert Keeney** (Executive Secretary), USDA Agricultural Marketing Service; and **Andrew Hatch** (Designated Federal Official), USDA Agricultural Marketing Service

Absentees:

**A.G. Kawamura**, California Department of Food and Agriculture; and **Steffanie Smith**, Taylor Farms

Observers:

Maurlo Baxter, American Dietetic Association  
Frank Bodiford, Georgia Federal-State Inspection Service  
Nancy Chapman, Apple Processors Association  
Diane Coates, U.S. Apple Association  
Suzanne Dash, USDA Agricultural Marketing Service  
Lorelei DiSogra, United Fresh Fruit and Vegetable Association  
Trista Etzig, USDA Agricultural Marketing Service  
Danielle Evennou, Apple Processors Association  
Nancy Foster, U.S. Apple Association  
Robert Guenther, United Fresh Fruit and Vegetable Association  
Margaret Irby, USDA Agricultural Marketing Service

Tom Karst, Vance Publishing  
John Keeling, National Potato Council  
Jeff LaFleur, Cape Cod Cranberry Growers Association  
Lisa Lowenstein, United Fresh Fruit and Vegetable Association  
Kathy Means, Produce Marketing Association  
Ken Nye, Michigan Farm Bureau  
Tom O'Brien, Thelen Reid and Priest  
Ken Peterson, USDA Agricultural Marketing Service  
Sophie Pyle, Welch's, Birdseye  
Leanne Skelton, USDA Agricultural Marketing Service  
Allison Stevens, Apple Processors Association  
Bruce Summers, USDA Agricultural Marketing Service  
Lorenzo Tribbett, USDA Agricultural Marketing Service  
Autumn Veazey, United Fresh Fruit and Vegetable Association  
Jennifer Weber, American Dietetic Association  
Karla Whalen, USDA Agricultural Marketing Service

This was the eighth meeting of the Fruit and Vegetable Industry Advisory Committee. It took place on June 27-28, 2006, at the Holiday Inn Capitol, 550 C Street SW, Washington, D.C. This was the first meeting since the Advisory Committee was re-chartered for two years by USDA in June 2005.

June 27, 2006 -- At 8:10 a.m., the Advisory Committee's Designated Federal Official Andrew Hatch reviewed administrative issues with Advisory Committee members, and asked everyone in the conference room to introduce themselves for the record. The Advisory Committee's Executive Secretary Robert Keeney reviewed the purpose of the Advisory Committee, the standards of conduct, and the Department's response to Advisory Committee recommendations. Seven incumbent members approved the minutes describing the July 2005 meeting with a correction related to the accurate organization of a trade association representative listed on the Observers section.

Executive Secretary Robert Keeney called for nominations of Advisory Committee members to be chair and vice chair. Todd Michael was elected chairman; Mike Stuart was elected vice chairman.

### **Comments from Observers**

The Advisory Committee invited meeting observers to address the full group for the record. Ken Nye, from the Michigan Farm Bureau, presented information on the fruit and vegetable planting prohibition, his initiative that would compensate growers if fruits and vegetables were planted on the same acres as "program" crops. Kathy Means, from the Produce Marketing Association, summarized the issue of food safety audits proliferating throughout the industry. Jennifer Weber, from the American Dietetic Association, reiterated the importance of nutrition education as an important component in public health, and reminded Advisory Committee members that they play an important role in helping shape federal nutrition policy.

### **Perishable Agricultural Commodities Act**

The Agricultural Marketing Service's (AMS) Bruce Summers summarized the Perishable Agricultural Commodities Act (PACA) and how it encourages fair-trade practices in the produce industry by mandating licenses for some traders, providing a venue to resolve contract disputes between produce buyers and sellers, and preserving sellers' trust protection. Mr. Summers summarized the 5 key roles of his federal program: education, enforcement, mediation, arbitration and licensing. He briefly addressed AMS' publication in the *Federal Register* of a "Notice for Public Comment" on the proposed modification of PACA regulations that would enhance sellers' preservation of PACA trust rights in connection with electronic invoicing. Mr. Summers emphasized that no new regulations will go into effect until AMS specialists have analyzed all public comments received. Mr. Summers reviewed his office's reorganization that culminated in the closure of two of five PACA regional offices, the establishment of a national license center, the future launch of a national call center, and projected annual savings of more than \$1 million. Dialogue with Advisory Committee members progressed into the issue of increasing license fees and the related statutory limitations. The Advisory Committee formed a 6-member working group that will research PACA budget and license fee issues and return findings back to the full Committee.

### **Fresh Fruit and Vegetable Inspection**

AMS' Leanne Skelton provided an overview of the Federal-State Inspection Service and described the destination market inspection program and the shipping point grading program conducted through state departments of agriculture and administered by AMS. Ms. Skelton emphasized her branch's successful initiative to implement a grading service that includes more timely delivery of official certificates to shippers and applicants via email. Ms. Skelton summarized the fee structure of her branch, and concluded by updating the Advisory Committee on her staff's efforts to keep all U.S. grade standards reflective of modern industry practices, to maintain a year-round training center where federal and state inspectors receive standardized training, and to administer other initiatives that lead to a Federal-State Inspection Service that is consistent nationally and responsive to the needs of the U.S. produce industry.

### **Department Greeting**

AMS Administrator Lloyd Day welcomed Advisory Committee members and then introduced USDA Deputy Secretary Charles Conner who addressed topics of the Advisory Committee's interest: the 2007 Farm Bill and ways the Federal Government can mitigate risk on the part of participants of agriculture industries. Mr. Day and Mr. Conner handed out *Certificates of Appointment* to each Advisory Committee member.

### **Sustainable Agriculture**

Advisory Committee member Jan Kerns expressed to Committee members the importance of developing a definition for the term “Sustainable Agriculture.” Ms. Kerns read the 2002 Farm Bill’s definition and then demonstrated the different definitions among consumers, trade publications, state departments of agriculture, and participants throughout the food sector. Crafting a widely recognized definition, she conveyed, would benefit producers who continually work toward better practices and stewardship, and would lead consumers to healthy and safe food items that fit their value structure. The Advisory Committee tabled the topic for later discussion.

### **Specialty Crop Block Grant Program**

AMS’ Trista Etzig spoke to the Advisory Committee on the topic of the Specialty Crop Block Grant Program, which AMS is administering for the benefit of the specialty crop industry. Ms. Etzig explained the portion of the Specialty Crop Competitiveness Act of 2004 that directed USDA to make grants to be used by state departments of agriculture to enhance the competitiveness of fruits, vegetables, tree nuts, dried fruit and nursery crops, including floriculture. Ms. Etzig also reviewed the process that AMS is following to gather industry’s input on eligibility and application requirements, the review and approval process, and grant administration procedures. She concluded by stating that all comments received by the May 22, 2006, due date are being reviewed as AMS writes a final rule expected to be published in late Summer 2006.

AMS’ Andrew Hatch read a prepared statement by Advisory Committee A.G. Kawamura, Secretary of the California Department of Food and Agriculture, who, in his absence, wanted his views on the Specialty Crop Block Grant Program included for the record. Secretary Kawamura proposes the elimination of the term “fresh” from the regulations, recommends steps to ensure the proposed regulations are not construed to prohibit state departments of agriculture from making advertising and public relations expenditures to promote specialty crop products, suggests states be allowed to work with AMS in structuring a two-tiered application approach, and requests state departments of agriculture be able to utilize a reasonable percentage of funding for administrative and audit costs. In his written statement, Secretary Kawamura also addressed the need for industry and government to examine ways to enhance the effectiveness of pest prevention and eradication programs, and informed the Committee of his intention to release 2007 Farm Bill recommendations in the Fall 2006.

### **Group Discussion on the 2007 Farm Bill**

Advisory Committee member Mike Stuart introduced a group discussion dedicated to the 2007 Farm Bill. He stressed the importance of produce industry leaders being aggressive now to ensure the law fosters fruit and vegetable consumption and initiatives that strengthen industry infrastructure. During the ensuing dialogue among Advisory Committee members, it was emphasized that applied research components, Market Access Program participation, and risk management measures are more vital and more preferred than direct subsidies as ways to ensure long-term economic strength and

viability of the industry. The Advisory Committee formed a 9-member working group that will meet by conference call prior to the next full Advisory Committee meeting to develop possible recommendations. The Advisory Committee also crafted and passed a recommendation for the Secretary of Agriculture's consideration.

### **Group Discussion on North American Trade**

Advisory Committee member Matt McInerney introduced initiatives that are underway to enhance market opportunities between Canada, Mexico and the United States. Mr. McInerney referenced his role on the North American Trade Task Force and the projects that its members are working on to help Mexico build a produce inspection program, to share information with Canada to enhance its inspection service, to set Maximum Residue Levels, and to strengthen the Dispute Resolution Corporation's ability in resolving cross-border trade disputes.

The meeting adjourned at 4:30 p.m. on June 27, 2006, and reconvened at 8:00 a.m. on June 28, 2006.

### **Produce for Better Health Foundation**

Ms. Pivonka described the background of the Produce for Better Health (PBH) Foundation, its role in interfacing with the produce industry and expanded Federal agencies, and its closer working relationship with the Center for Disease Control. She summarized the National Action Plan that, with the help of Sterling Brands, NY, has lead PBH to rethink the 5 A Day Campaign and rebrand it as "Fruits and Vegetables – More Matters," which is expected to be launched to consumers with Federal buy-in in March 2007. Prior to a question-and-answer session with Committee members, Ms. Pivonka reviewed other projects that support PBH's vision "to have people enthusiastically eating an abundant daily variety of fruits and vegetables, therefore enjoying better health." In response to the Advisory Committee's question as to what can it do to help as the new brand unfolds, Ms. Pivonka emphasized the importance the Federal Government fully implementing the Dietary Guidelines in federal nutrition programs, and placing an extra serving of fruits and vegetables in school lunches.

### **Women, Infants and Children (WIC) Program**

USDA's Steve Christensen stated that a proposed rule on possible modifications to the WIC program is expected to be published during the next couple of months. Mr. Christensen's presentation progressed into the history of WIC and how and why it operates nationally, its various components, and highlighted that fact that 98 percent of eligible individuals receive WIC vouchers. Returning back to the topic of updating the WIC program, he noted the proposed rule that is meant to amend the various WIC food packages so that they offer foods that are high in nutrients determined by research to be important for the health of consumers. Mr. Christensen referenced the Institute of Medicine's April 2005 report that suggested adding more fruits and vegetables to the WIC food packages, and the test pilots in California and New York that showed WIC participants overwhelmingly favor produce items.

### **Agriculture Labor and Immigration**

The National Council of Agriculture Employers' Sharon Hughes was expected to speak to the group. An instance of miscommunication occurred on the part of AMS meeting planners, and Ms. Hughes was unable to attend the meeting.

### **Group Discussion on Buyer-Requested Audits**

Committee member Matt McNerney raised the question of what he characterized as the proliferation of third-party audits that permeate throughout the industry. Committee members discussed the importance of industry and government working together to harmonize or standardize a baseline for various audit requirements and services. Dialogue highlighted the challenges associated with international audits, and the advantages of linking audit harmonization efforts already underway in Canada. The Advisory Committee formed an 8-member working group to further investigate the matter and report back to the full Committee.

### **Administrative Matters**

The Advisory Committee agreed that a good time to gather again would be mid-January 2007 in the Washington, D.C., area, and identified possible agenda items, including a visit by Sharon Hughes to update them on labor and immigration legislation, a presentation by an Animal and Plant Health Inspection Service official on invasive pest and disease initiatives, and an update from an AMS official on the Microbiological Data Program.

The meeting adjourned at 11:30 a.m. on June 28, 2006.

In summary, the Advisory Committee formed four working groups that will gather information, research issues and draft recommendations to be presented to the full Committee for consideration. Those working groups are focused on the PACA budget and fees, the Farm Bill, Global Competitiveness, and Food Safety Audits. The Advisory Committee finalized the following two recommendations:

- The Fruit and Vegetable Industry Advisory Committee commends Secretary Johanns for his strong support of the fruit and vegetable industry. The Committee further urges the Department's support for provisions in the next Farm Bill that increase demand for fruits and vegetables, improve the health of Americans, and enhance the competitiveness of fruit and vegetable producers. (A working group is developing further recommendations related to the 2007 Farm Bill)
- The Fruit and Vegetable Industry Advisory Committee strongly recommends that USDA follow the Dietary Guidelines in its education and implementation of nutrition assistance programs, such as school lunch, school breakfast, food stamps, and Women, Infants and Children (WIC).

Andrew Hatch  
AMS Fruit and Vegetable Programs  
August 4, 2006